



Monthly Bulletin



Volume 15, Number 5

November 2011

Message from the Commissioner

Hello Everyone,

On behalf of all of us at the Department of Financial Institutions, I wish you a joyous holiday season and good health and happiness in 2012.

For the past three years California's financial institutions have endured, and in some cases even thrived, through economic and financial conditions as challenging as any over the course of DFI's 100+ year history. Nearly unimaginable things have happened in domestic and global financial markets. And yet we continue to see slow but steady improvement in California's economy and in the condition of California's state-chartered financial institutions.

I would like to express my deep appreciation to all of you for the services California's financial institutions provide to households, businesses and communities all across our great State. And as we approach this special holiday season, let us all count our blessings and embrace and be thankful for our family, friends, and colleagues.

Thank you for your support.

Sincerely,

William S. Haraf

Commissioner

Department of Financial Institutions

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Consumer Compliance

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Banks Must Submit Lists of Offices by December 31

Pursuant to Financial Code section 507, all commercial banks, industrial banks and trust companies are required to file a list of all offices that are currently maintained and operated by the bank. The report shall designate the type of each office that is being maintained and operated, and the complete address of each office. Please note: that this requirement does not apply to other licensee types, e.g., credit unions, money transmitters, etc.

For the purposes of section 507, please provide the following information on or before Monday, January 2, 2012:

- Name of bank
- Popular name of branch offices and facilities
- Office type (include the head office, branch and facility locations; do not include free-standing ATM facilities)
- Street address
- City
- State
- Country
- ZIP

Responses may be made by email to Licensing@dfi.ca.gov or by postal mail to Department of Financial Institutions, 45 Fremont Street, #1700, San Francisco, CA 94105-2219 Attn: Strategic Support Section. For questions please contact Patrick Carroll at pcarroll@dfi.ca.gov or call (415) 263-8559.

Premium Finance Company Assessment

In accordance with Financial Code Sections 18350, 18351, and 18352, the Commissioner of Financial Institutions assessed all California insurance premium finance companies in order to fund the operations of the Department of Financial Institutions in administering the laws relating to insurance premium finance companies. Invoices for the assessment will be mailed on December 1, 2011. The assessment must be paid in full by December 20, 2011.

For the purposes of this assessment, the base rate is set at 0.006175233 percent of each insurance premium finance company's total assets. The amount of the assessment on each insurance premium finance company is calculated in accordance with Financial Code Sections 18350 and 18351. The minimum amount for any institution is \$250. For purposes of calculating the assessment, the total assets of each insurance premium finance company have been determined as of December 31, 2010.

Spotlight on SB 664

On January 1, 2012, SB 664 (Committee on Banking and Financial Institutions, Chapter 243, Statutes of 2011) will become operative. While some substantive changes were included in this legislation due to the passage of the Dodd-Frank federal legislation and some technical corrections that resulted from earlier amendments to the Code, the majority of the work involved in SB 664 was to bring a better sense of order to the section numbering in the Code. In addition to section numbers, some division, chapter

and article designations were added to assist in the organization of the Code. It is hoped that readers will find that these changes result in a more user-friendly Code.

While these changes affect all DFI licensees, bank, trust and money transmitter licensees will find significant changes in Code section numbers. However, credit union licensees will find changes in only a few sections where other Code sections are incorporated by reference. Licensees may access the chaptered legislation at: http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0651-0700/sb_664_bill_20110906_chaptered.pdf. To assist licensees in identifying changes in the Code section numbers, a section by section conversion chart is accessible at: http://www.dfi.ca.gov/lawsregs/legislation/SB664_Conversion.pdf.

All licensees should update any Code references in internal policies and procedures by their next policy review date. Money transmission licensees should update all receipts, notices, disclosures and posting, as necessary, by July 1, 2012.

DFI E-Mail Distribution Improvements

In an effort to improve communications with licensees, the use of DFI's email distribution tool is expanding to include messages to licensees' designated email addresses. (The designated email addresses are required by the [Commissioner Order on Electronic Communications](#).) Information sent to licensees' designated email addresses from DFI's email distribution tool will include: public notices, time sensitive messages and orders from the Commissioner, and other pertinent information of a sensitive or confidential nature. Consumer complaint information will continue to be sent through DFI Consumer Services to licensees' designated email addresses, separately from DFI's email distribution tool. All individuals' email addresses previously subscribed to DFI's email distribution tool will now only receive public notices and will not receive messages and orders from the Commissioner and other pertinent information.

If you are already subscribed to DFI's email distribution tool and you receive emails routed to you from your institution's designated email, then you may receive duplicate public notices. If you no longer wish to receive duplicate public notices, then you may unsubscribe your individual email. Please do not unsubscribe the designated email for your institution.

Questions related to these changes can be directed to Patrick Carroll at 415-263-8559 or RespondToDFI@dfi.ca.gov.

Commissioner's Mortgage Survey Schedule

The annual Commissioner's Mortgage Survey has been requested every fall for the last three years. This year the schedule for the Survey will change to collect year-end data for 2011. The DFI will email a notification to the designated email addresses for DFI licensed banks and credit unions in mid-December. The email notification will provide information regarding when the Survey will be available and the deadline for submissions. *Please note: The survey notifications will be emailed to the designated email address your institution provided to the DFI in compliance with the [Commissioner Order on Electronic Communications](#).*

Questions related to the survey can be directed to Kristine De Young at 916.324.7488 or survey@dfi.ca.gov.

DFI Supports Community Economic Development Initiatives

The Department of Financial Institutions (DFI) supports activities, programs and initiatives that bring together financial institutions, government agencies and non-governmental organizations to promote community economic development. This month we highlight three such programs:

Bank On

There is now a national Bank On website, <http://www.joinbankon.org> that is the online home for resource sharing, networking and information gathering for individuals affiliated with or interested in Bank On and other financial access initiatives that work to connect un- and underbanked individuals with low-cost, non-predatory financial products.

JoinBankOn.org was originally created by the San Francisco Office of Financial Empowerment. It was relaunched by the Corporation for Economic Development (CFED) in partnership with the San Francisco Office of Financial Empowerment, the National League of Cities and the New America Foundation, with support from the U.S. Department of the Treasury. The site is managed by CFED. For questions or comments, please contact CFED at info@joinbankon.org.

Directo a México

Directo a México is an account-to-account service to send money from a bank account at a participating financial institution in the United States to a bank account in Mexico. It was developed by the Federal Reserve Bank and the Banco de México as an efficient interbank mechanism to process payments between both countries that would be available to all financial institutions in both countries.

For more information about Directo a México, visit <http://www.directoamexico.com/en/infobancos.html#porque>

EITC Awareness Day

The Internal Revenue Service (IRS) and community leaders will be reaching out Friday, January 27, 2012, to people earning under \$49,078 on EITC (Earned Income Tax Credit) Awareness Day.

This is an effort to increase awareness of the \$5,751 available to qualifying taxpayers through the Earned Income Tax Credit. Increasing awareness is critical because to get the credit, they must file and claim it.

EITC is a financial boost for working people in a recovering economy. Millions of workers could qualify for the first time this year because their earnings dropped or their marital or parental

statuses changed in 2011. Many more may already qualify but don't know it, such as childless workers, people with English as a second language, and grandparents raising their grandchildren.

The IRS has two free tools – [EITC Central](#) and [Marketing Express](#) – each with many grab-and-go products to help participating financial institutions carry the EITC message.

If your financial institution participates in a community development program, let us know. Contact Alana Golden, Outreach at (916) 323-7012 or by email at agolden@dfi.ca.gov.

State Controller Proposes Amendments to Unclaimed Property Regulations

Code of Civil Procedure sections 1530 and 1532 set forth requirements for reporting and remitting unclaimed property. California Code of Regulations, title 2, sections 1155.250 and 1155.350 set forth specific procedures for the reporting and remitting of unclaimed property pursuant to Code of Civil Procedure sections 1530 and 1532. This rulemaking action will amend California Code of Regulations, title 2, sections 1155.250 and 1155.350 by changing forms incorporated by reference, and by removing language for which statutory authority has been repealed.

As currently adopted, California Code of Regulations, title 2, section 1155.250 incorporates two forms by reference: SCO EFT-1 (03/98) and SCO EFT-3 (01/98). This rulemaking action will amend Section 1155.250 by updating the two forms incorporated by reference to SCO EFT-1(01/11) and SCO EFT-3(01/11). The revised forms accommodate changes in statutory requirements, administrative needs, and technological changes. The proposed amendment to Section 1155.250 will also delete the language requiring prior approval to remit funds by Fedwire.

As currently adopted, California Code of Regulations, title 2, section 1155.350 incorporates two forms by reference: UFS-1(02/98) and Form UP 27 (2/98). This rulemaking action will replace UFS-1 (02/98) with UFS-1 (04/09), and it will delete the reference to Form UP 27 (02/98).

This rulemaking action will also repeal California Code of Regulations, title 2, section 1175. As currently adopted, Section 1175 requires any person or holder to retain records pertaining to property for a period of seven years after such property is reported, or would have been reported. The repeal of this regulation will remove this affirmative recordkeeping requirement. The repeal of this regulation does not impose any additional reporting or recordkeeping requirements.

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through the SCO website at:
http://www.sco.ca.gov/upd_rptg_notice.html.

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the State Controller's Office. The written comment period closes at 5:00 p.m. on January 16, 2012. The State Controller will only consider comments received at the State Controller's Office by that time.

Submit comments to:

Dave Brownfield
State Controller's Office
300 Capitol Mall, Suite 1850
Sacramento, CA 95814

- Facsimile: (916) 322-1220
- Email: dbrownfield@sco.ca.gov

Commercial Bank Activity

Merger

Coronado First Bank, Coronado, to merge with and into Embarcadero Bank, San Diego and for the surviving bank to change its name to Coronado First Bank and relocate its head office to Coronado
Effected: 11/16/11

Acquisition of Control

California Republic Bancorp, to acquire control of California Republic Bank
Approved: 11/1/11

Purchase of Partial Business Unit

California Republic Bank, Newport Beach, to acquire the Westlake Village branch of National Bank of California, N.A., Westlake Village
Filed: 11/22/11

Security Bank of California, Riverside, to acquire the Orange branch of Universal Bank, West Covina
Filed: 11/21/11

Credit Union Activity

Field of Membership

One credit union received approval to add one new field of membership during October 2011.

Premium Finance Company Activity

New Premium Finance Company

Chelsea Financial Group, Inc.
Opened: 11/15/11

Money Transmitter Activity

New Money Transmitter

LibertadCard, Inc.
Approved: 11/15/11

Moneybookers USA, Inc.
Filed: 10/20/11

Softgate Systems of California, Inc.
Approved: 11/30/11

Trans-Fast Remittance LLC
Opened: 11/14/11

USForex, Inc.
Filed: 11/9/11

Erratum

In the October 2011 Monthly Bulletin, it was reported that Fullerton Community Bank, FSB, Fullerton, merged with and into Opus Bank, Redondo Beach. Please note that Opus Bank's head office had relocated from Redondo Beach to Irvine prior to the merger.

WILLIAM S. HARAF
Commissioner of Financial Institutions

Bulletin for Month ended
November 2011, issued pursuant
to Financial Code section 258

